

**Himax**

Nasdaq : HIMX

## Investor Presentation

June, 2016

# Forward looking statements



Factors that could cause actual events or results to differ materially include, but not limited to, general business and economic conditions and the state of the semiconductor industry; market acceptance and competitiveness of the driver and non-driver products developed by the Company; demand for end-use applications products; reliance on a small group of principal customers; the uncertainty of continued success in technological innovations; our ability to develop and protect our intellectual property; pricing pressures including declines in average selling prices; changes in customer order patterns; changes in estimated full-year effective tax rate; shortages in supply of key components; changes in environmental laws and regulations; exchange rate fluctuations; regulatory approvals for further investments in our subsidiaries; our ability to collect accounts receivable and manage inventory and other risks described from time to time in the Company's SEC filings, including those risks identified in the section entitled "Risk Factors" in its Form 20-F for the year ended December 31, 2015 filed with the SEC, as may be amended. Images of devices depicted in this presentation may be representative of those in which Himax has specification, or for reference-only and may not be associated with actual bill-of-material or design-win in the displayed image. Any association of such, without a confirmed disclosure of such by the Company or the Company's customer are coincidental. Himax is under strict customer disclosure guidelines on the release of such information.

# 30 years of digital imagery expertise



## 1990's

Founder B.S. Wu pioneers flat panel technologies at Chimei Electronics as CTO



## 2000's

Chairman Wu establishes Himax to meet DDIC demand for large panels and fast-growing medium and small panels



## 2010's

Himax gains market share with design wins with leading technology products companies, worldwide

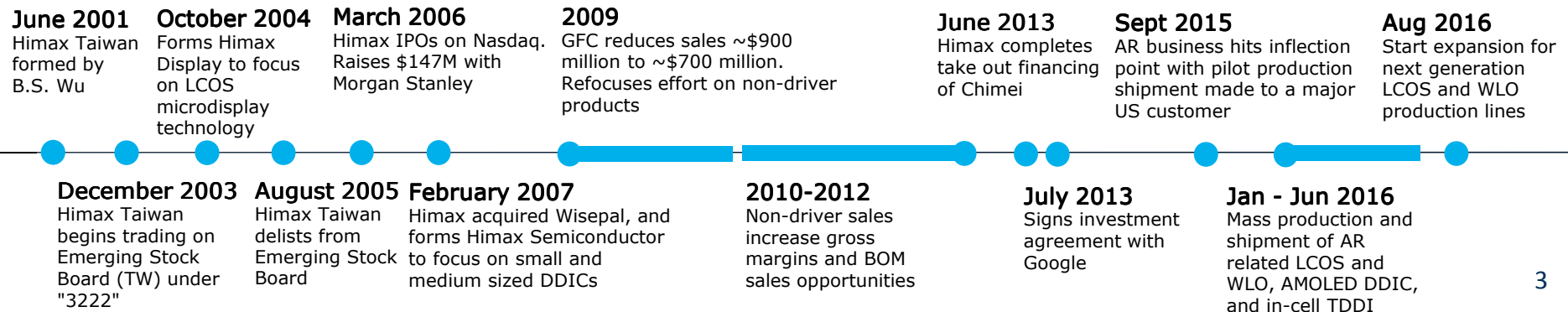


## and beyond...

Himax leads LCOS development and innovation of new display technologies with leading display and optical expertise, Himax is uniquely positioned to benefit from the booming AR/VR sector



### CORPORATE TIMELINE



## 1 Leading Display Driver Provider

- Worldwide leading display driver player with a wide range of drivers for panels of all sizes and in-house intellectual property
- Image technology solutions provider

## 2 Diversifying Revenues and Customers

- DDIC market share leader
- Top tier customers globally
- Diversifying revenues from DDIC to CMOS image sensors, LCOS microdisplay , touch panel controllers, timing controllers, power management IC, and ASIC service
- LCOS & WLO product lines to improve corporate profit margin

## 3 Operational and Public Market Performances

- Long term profitability potential with no fundraising since IPO
- Disciplined cost control
- Stable cash flow
- Committed to high dividend payout ratio
- Debt-free: Short-term debt offset by deposits of restricted cash reported under current assets

## 4 Innovative New Products Capturing Growth Markets

- Automotive applications and AR/VR related businesses
- Core driver IC business benefit from technology integration, AMOLED DDIC, TDDI and market leader position
- Growth from non-driver products, such as LCOS microdisplay solutions and WLO, touch panel controllers and integrated touch and display ICs, CMOS image sensors, and timing controllers

## 5 Visionary Management Team

# Capital markets snapshot



<b>Fiscal Year</b>	December 31 <sup>st</sup>
<b>Last-Traded Price (09/01/16)</b>	\$10.23
<b>Basic Weighted Ave. Out. ADS</b>	172.3M
<b>Diluted Weighted Ave. Out. ADS</b>	172.4M
<b>Equivalent ADS Out.</b>	171.9M
<b>Market Capitalization (09/01/16)</b>	\$1.8B
<b>Insider Ownership</b>	31.5%

\* Insider ownership includes executives and board members



## Top 20 Institutional Shareholders

Standard Life Investments (UK)	JP Morgan Investment Management
Baillie Gifford & Co. Ltd	Millennium Management
Fidelity Management & Research (HK)	UBS Financial Services
Prince Street Capital	JP Morgan Asset Management (HK)
Wellington Management Company	Shannon River Fund Management
Quentec Asset Management	Columbus Circle Investors
Ignis Investment Service	Polar Capital
Hood River Capital Management	Arrowstreet Capital
JF Asset Management	Fiera Capital
Garelick Capital	USAA Asset Management Company

\* Shareholder list as of June 30, 2016

## Covering Analysts

Bank of America Merrill Lynch	Pending
Brean Capital, LLC	Mike Burton
Craig-Hallum Capital Group LLC	Anthony J. Stoss
Credit Suisse	Jerry Su
Lake Street Capital Markets	Jaeson Schmidt
Morgan Stanley	Charlie Chan
Nomura Securities	Aaron Jeng
Northland Securities, Inc.	Tom Sepenzis
Oppenheimer & Co. Inc.	Andrew Uerkwitz
RW Baird & Co.	Tristan Gerra
<a href="#">Edison Investment Research Limited</a>	<a href="#">Dan Scovel*</a>
<a href="#">Rosenblatt Securities</a>	<a href="#">Jun Zhang*</a>

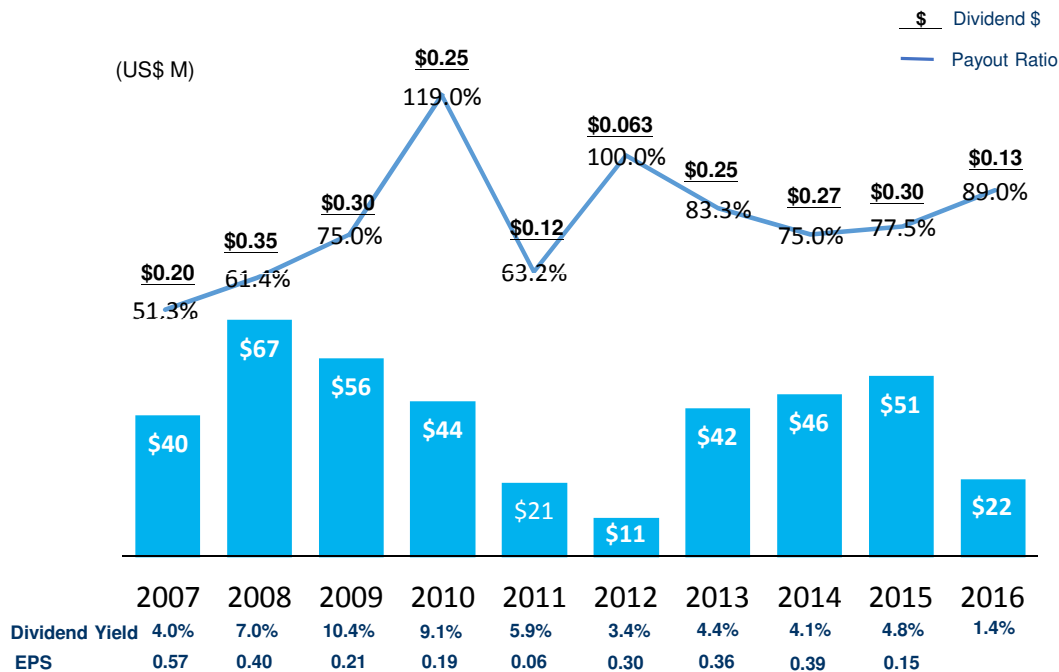
\*Analysts without models or regular contact with the Company

# Shareholder focused. Returns profits



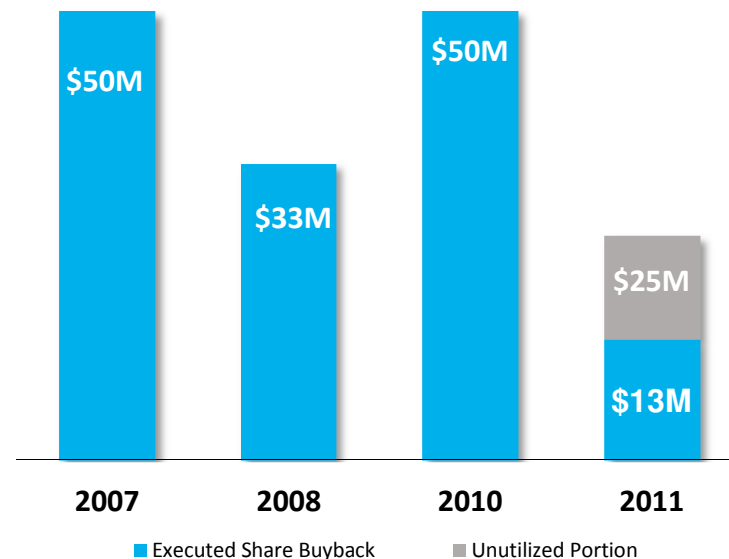
## Dividends

- Distributed a total of \$400 million of dividend since IPO (2016 payout in August)
- Dividends referenced primarily on prior year's profitability



## Share Buy Back

- Initiated four share buyback programs totaling \$158 million since 2007
- Repurchased a total of 46.5 million ADSs through June 30, 2016 at average purchase price per ADS: \$3.15



**TDIV** First Trust NASDAQ Technology Dividend Index Fund  
As of 3/31/16

**HIMX**  
TDIV since 2014

**\$546**  
Million

Returned to shareholders including dividends and buy-backs since IPO

# Summary financials and guidance



<b>QUARTER</b>	<u>2Q2016</u>	<u>2Q2015</u>	<u>1Q2016</u>	<u>YoY</u>	<u>QoQ</u>
Revenues	\$201.1M	\$169.2M	\$180.3M	+18.8%	+11.5%
Gross Margin (%)	26.1%	23.8%	26.2%	+2.3%	-0.1%
GAAP Net Income	\$19.8M	\$8.8M	\$13.1M	+124.0%	+51.2%
GAAP Earnings per ADS	\$0.115	\$0.051	\$0.076	+123.8%	+51.2%
Non-GAAP Net Income	\$20.2M	\$9.3M	\$13.5M	+115.7%	+49.8%
Non-GAAP Earnings per ADS	\$0.117	\$0.054	\$0.078	+115.5%	+49.7%
<b>YEAR</b>	<u>FY2015</u>	<u>FY2014</u>	<u>YoY</u>		
Revenues	\$691.8M	\$840.5M	-17.7%		
Gross Margin (%)	23.6%	24.5%	-0.9%		
GAAP Net Income	\$25.2M* / **	\$66.6M* / ***	-62.2%		
GAAP Earnings per ADS	\$0.146* / **	\$0.387* / ***	-62.2%		
Non-GAAP Net Income	\$30.6M**	\$76.0M***	-59.7%		
Non-GAAP Earnings per ADS	\$0.178**	\$0.442***	-59.7%		
<b>3Q 2016 GUIDANCE</b>					
<b>Revenues</b>	To be up 5.0% to 10.0% sequentially, representing a 27.5% to 33.6% YoY growth				
<b>Gross Margin</b>	To be flat to slightly down sequentially, as compared to 21.8% reported in 3Q 2015				
<b>****GAAP Earnings per diluted ADS</b>	6.0 to 8.0 cents per diluted ADS, as compared to net loss of 1.4 cents reported in 3Q 2015				
<b>****Non-GAAP Earnings per diluted ADS</b>	10.0 to 12.0 cents per diluted ADS, as compared to 1.0 cents reported in 3Q 2015				

\* 2014 GAAP numbers include grant of Restricted Share Units at the end of September at \$9.3 million

\* 2015 GAAP numbers include grant of Restricted Share Units at the end of September at \$4.5 million

\*\* An additional income tax charge due to FX impact of \$3.6 million in 15FY

\*\*\* An additional income tax charge due to FX impact of \$5.6 million in 14FY

\*\*\*\* 2016 Q3 GAAP numbers include grant of Restricted Share Units at the end of September at approximately \$8.1 million

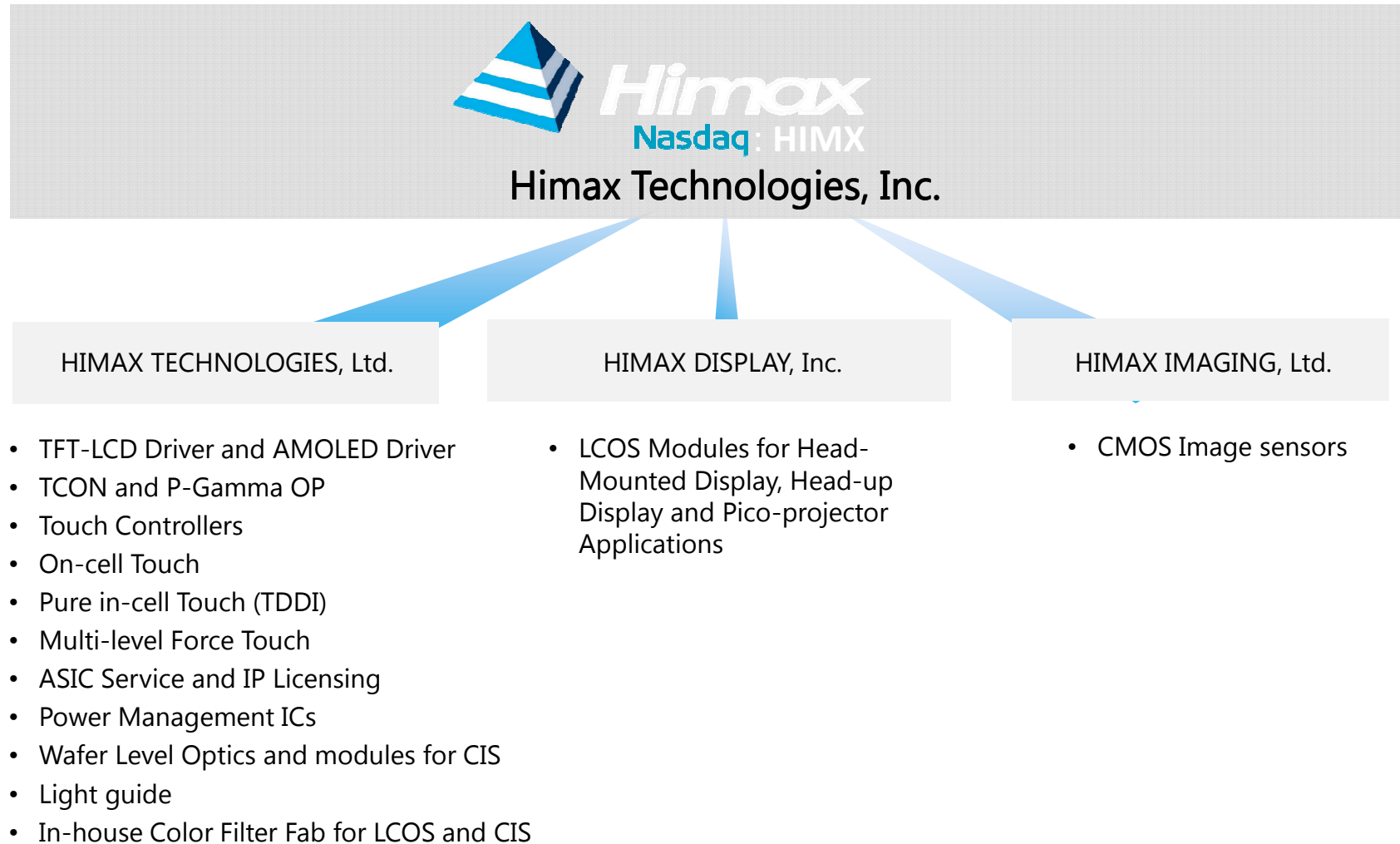
# A global semiconductor company



- Fabless semiconductor company with world leading visual imaging processing technologies
- Global market leader in TFT-LCD display driver and timing controller ICs
- 200+ customers across Taiwan, China, Japan, Korea, U.S. and Europe
- 2,878 patents granted and 480 patents pending approval worldwide as of June 30<sup>th</sup>, 2016
- NASDAQ-listed since March 2006 (HIMX)
- Around 2,100 employees worldwide; more than 90% are engineers
- Headquartered in Tainan, Taiwan with 5 R&D centers in Taiwan and U.S., out of a total of 20 offices across Taiwan, China, Japan, Korea and U.S.







# Himax inside consumer electronics



## DISPLAY DRIVERS



## WAFER LEVEL OPTICS



## CMOS IMAGE SENSORS



## ASIC SERVICE & IP LICENSING



## LCOS MICRODISPLAYS



## TOUCH PANEL CONTROLLERS



## POWER MANAGEMENT IC & LED DRIVERS



## TIMING CONTROLLERS

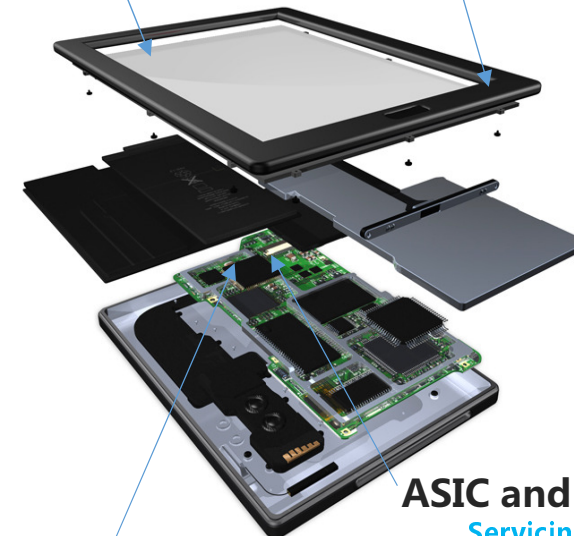


## In Displays

Display Driver  
TCON  
PMIC  
LED Driver  
P-gamma OP

## On Touch Panels

Controller IC



In Camera Modules  
CMOS Image Sensor  
Wafer Level Optics

ASIC and IP  
Servicing and licensing

In AR Devices  
LCOS, WLO

In VR Devices  
OLED SOC

# Fabless manufacturing expertise



## DISPLAY DRIVER

### WAFER FABRICATION



### GOLD BUMPING



### PROCESSED TAPE



### CHIP PROBE TESTING



### ASSEMBLY AND TESTING



## CMOS IMAGE SENSOR BACK-END

### PACKAGE



### CHIP PROBE TESTING



### FT



### RW



## SOC

### CHIP PROBE TESTING



### PACKAGE



### FT



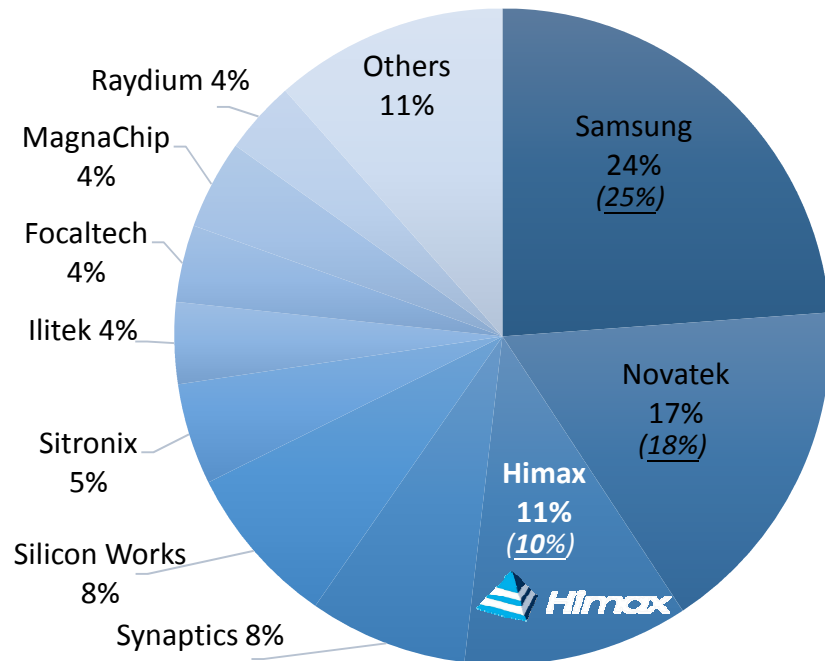
# Product Lines & 6 Growth Opportunities



# DDIC market share



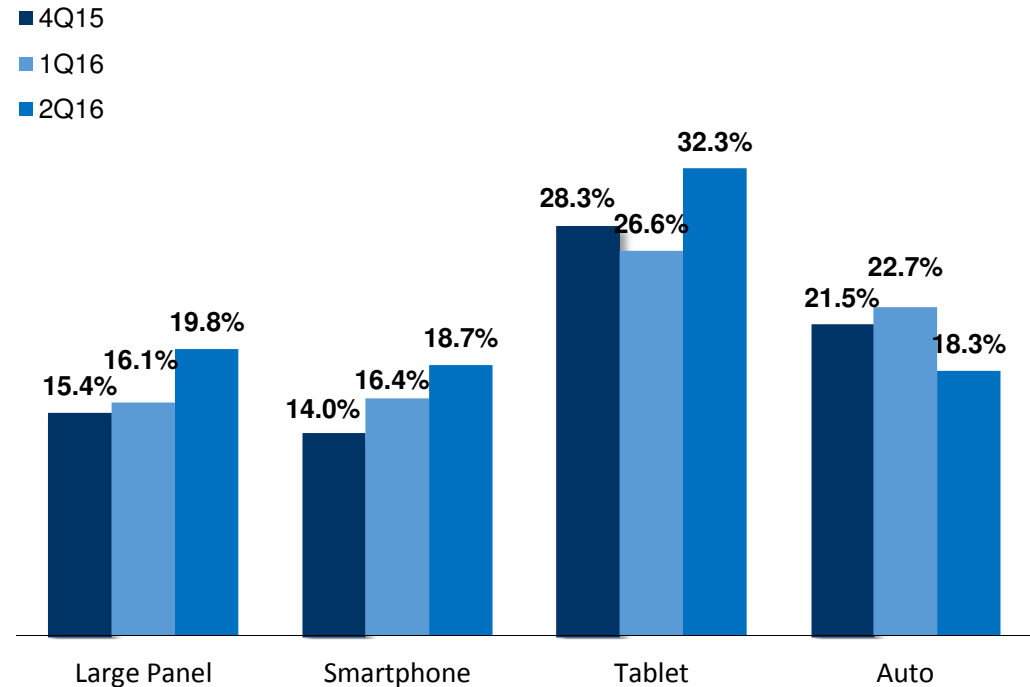
**2016 Q1 Driver Market Share**  
(4Q15 Market Share%)



Source: IHS iSupply and company estimates (This covers all TFT-LCD and OLED DDICs)

- One of the leading players in display driver ICs
- Gaining market share for core DDIC business
- Key differentiation from IC peers - total solution offering of image processing related technologies and leverage of existing strength in mobile devices

**HIMX Driver IC Market Share by Application**



Source: Trendforce, IHS iSupply and Company Estimates

- Large panel DDIC market share expanding across Chinese panel makers due to capacity expansion, in-sourcing strategy, and growing export business
- Improving smartphone market share due to China smartphone market rebound and AMOLED DDIC shipments
- Solidly market share leader position in tablet and auto applications
- Auto market share will resume normal in 3Q16 due to temporary delay of several projects' MP



## Market Trends

Continuously aggressive new Gen 8.5 and Gen 10 TFT-LCD capacity expansion in China with a special focus on advanced display technologies

Leading Chinese panel maker's TV panel market share has become world No. 2 in June 2016 and by 2019, its total output across applications will likely be world No.3

Chinese local TV set makers have started to in-source more and Chinese panel makers have started to export 4K TV penetration continues to accelerate

## HIMX Strategies and Market Position

- Leading market share in China
- Himax stands strong as OEMs actively seeking total solution providers for better performance, supply chain leverage, and more reliable engineering support
- Increasing 4K penetration: more shipments to Chinese panel makers and penetrating into Korean customers
- Leading the charge in new technology areas: 8K TV and OLED TV display

## Panel Maker Large Panel Total Output Forecast

Unit: K substrate

LCM	Tech	2014	2015	2016	2017	2018
BOE	LCD	2,985 (+1 G8.5 fab)	4,056 (+1 G8.5 fab)	5,034	5,034 (+1 G8.5 fab)	6,744 (+1 G10 fab)
CEC Panda	LCD	1,053 (+1 G8.5 fab)	1,281 (+1 G8.6 fab)	1,860	1,860	2,130
CSOT	LCD	1,641	2,130 (+1 G8.5 fab)	2,850 (+1 G8.5 fab)	3,477	3,600
INX	LCD	9,186	9,420	9,480	9,855 (+1 G8 fab)	9,960
AUO	AMOLED	120	120	120	120	120
Samsung	LCD	8,640	8,985	9,531	9,720	9,675
LGD	AMOLED	138	441	726	852 (+2 G6 fab)	1,230
	LCD	9,420 (+1 G8 fab)	9,282	9,099 (+1 G8 fab)	8,583	7,953

Source: IHS iSupply 1Q16



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# 2

## Grow S/M panel DDIC Launch new products



### Market Trends

Korean, Japanese and Chinese smartphone customers seeking product differentiation with AMOLED panels

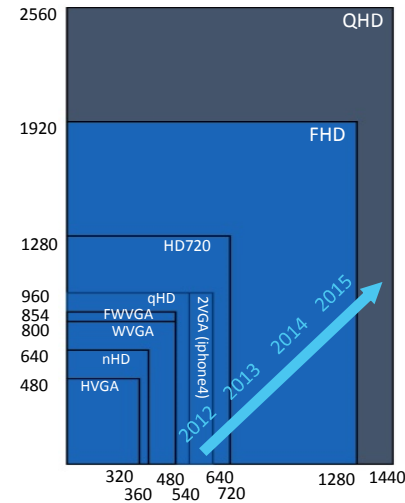
Automotive IC market to grow at the highest rate among all applications at a 6.7% CAGR from 2014 to 2019

Virtual Reality (VR) headsets using OLED displays is a new market

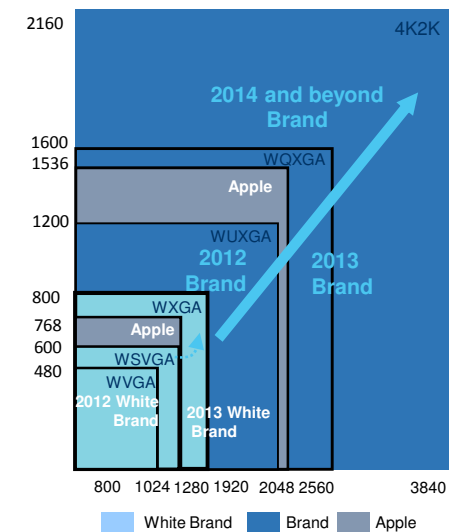
### HIMX Strategies and Market Position

- Global and China smartphone market share leader as an independent DDIC company
- Global market share leader in tablet and automotive applications
- Capitalize on resolution migration and panel technology advancement trend by working closely with panel makers and smartphone makers
- Anticipate AMOLED DDICs to kick off a new growth cycle for smartphone and VR applications

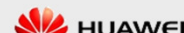
Smartphone Display Trends



Tablet Display Trends



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# 3

## LCOS Microdisplay Design, manufacture, ship



### Market Trends

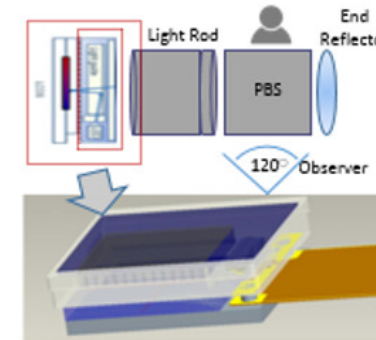
AR product development for business, industrial, search, gaming, mobile, social media, military, toy, automotive, wearable, toy and consumer markets

LCOS recognized as the technology of choice for microdisplay in AR devices

Limited companies provide the combination of R&D, joint development and manufacturing expertise

Significant barrier of entry to new market entrants and existing technology companies without scalable manufacturing

Pokémon Go's phenomenal success triggers active OEM participation and investment in the AR sector

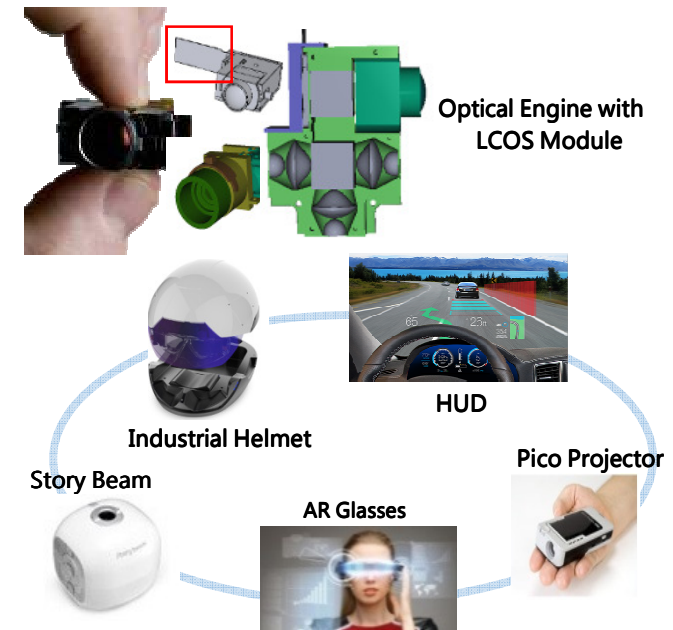


#### Front Lit LCOS Advantages

- Compact Form Factor
- Brightness
- Power Efficiency
- MP Efficiency & Readiness

### HIMX Strategies and Market Position

- The leader in microdisplay with patent protected technology, in-house facilities and shipping record >2M units
- End applications include various glass type AR devices to toys, industrial helmets and head-up displays (HUD) for automotive
- Increasing design wins with tier 1 customers on top of 30+ customers
- Continue close collaboration with Google and other major AR players
- Revenues and shipments continue to accelerate during 2H16 and beyond
- GM & OPM significantly higher than corporate average
- Started expansion plan for next generation production line to offer better cost and lift both product quality & capacity for mass production



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# 4 Touch panel controllers



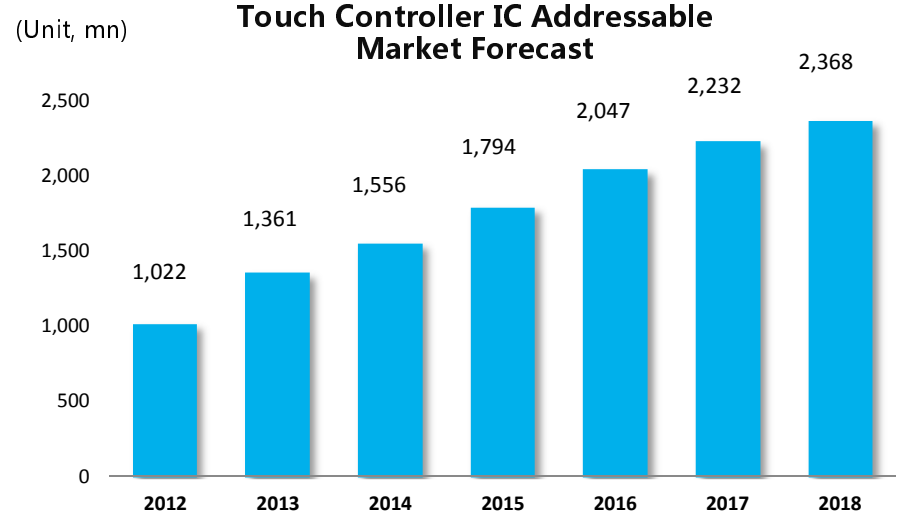
## Market Trends

Integration of Display & Touch by panel makers and OEMs in Korea, China and Taiwan

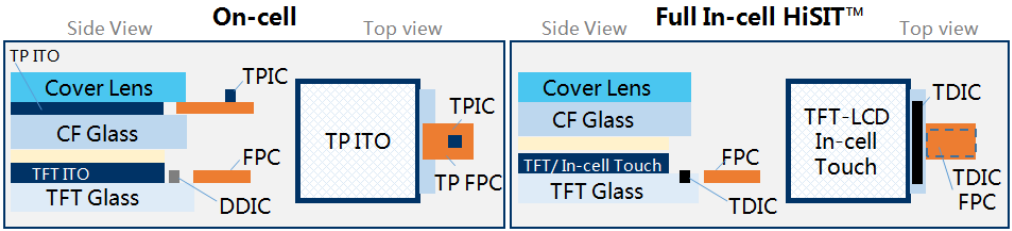
In-cell display with TDDI rapidly becoming the preferred choice for end product customers' new high end smartphone designs

## HIMX Strategies and Market Position

- Rapid growth since 4Q11
- Acceleration of on-cell sales since late 1Q16
- TDDI pure in-cell solution pioneer and technology leader
- ✓ Close partnerships with essentially all of the leading panel manufacturers, module houses, and OEMs
- ✓ Volume shipment to start in 4Q16 and expect meaningful contribution starting from 2017
- ✓ Another growth engine for Himax's small panel business



Source: DisplaySearch and company estimates



# 5

# CMOS image sensors and WLO



## Market Trends

CIS development accelerating in functionality and new applications  
Advanced Wafer-Level Optics (WLO) is the future for AR devices, computational optics and 3D sensing

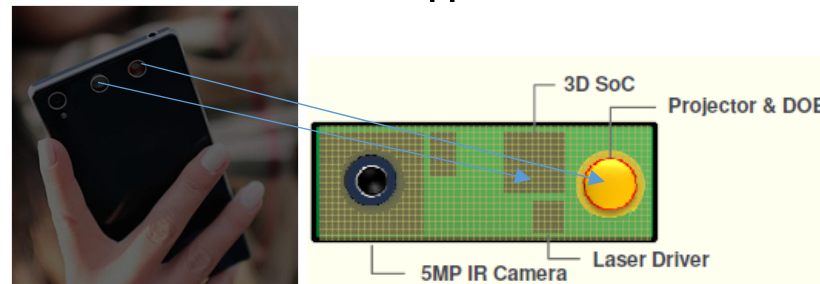
## HIMX Strategies and Market Position

- One of the CIS market share leaders in notebooks
- Competitive CIS high sensitivity, low noise, cost effective, and low power consumption design with solid pixel technologies
- New smart sensor launch: ultra-low power computer vision and Near Infrared (NIR) sensors for 3D sensing
  - ✓ New territory with exciting growth potential
  - ✓ Applied in next-gen smartphone, tablets, AR/VR and IoT devices
- WLO applications: wave-guide for AR devices, array camera, and 3D scanning when integrated with Diffractive Optical Element (DOE)
  - ✓ In-house know-how and manufacturing facilities
  - ✓ Mass production of wave-guide for AR devices since 1Q16
  - ✓ DOE integrated laser projector for mobile devices, automotive, AR/VR devices and IoT applications
  - ✓ WLO module paired with ultra-low power computer vision CIS for mobile devices, consumer electronics and IoT applications
  - ✓ Started expansion plan for next generation production line to offer better cost and lift product quality & capacity for mass production

## Ultra Low Power Sensor Applications

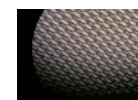


## NIR Sensor + WLO & DOE Applications



## Wafer Level Process

Integrated Optics  
High Accuracy  
Scalability In Production



## Mini Package

Ultra Small Size & Package



## Wave-Guide For AR Devices

Help Create Holographic Images  
The Key Interface of AR



## Best For IoT/Smart Sensing

Eye Tracking & Gesture Control  
3D Depth Sensing



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# 6 Timing controllers



## Market Trends

TCON becoming the key enabler of next generation ultra-high resolution panel development

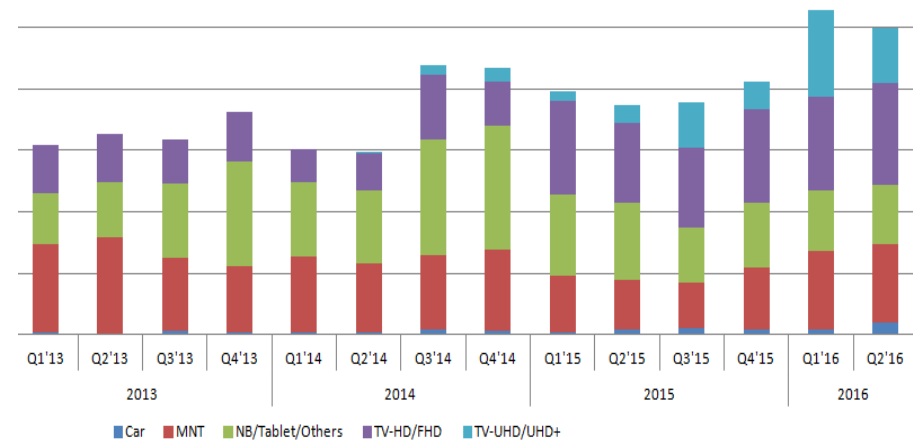
Continuously aggressive new Gen 8.5 and Gen 10 TFT-LCD capacity expansion in China with a special focus on advanced display technologies

Chinese local TV set makers have started to in-source more  
Chinese panel makers have started to export

## HIMX Strategies and Market Position

- Benefitting from the increasing demand from China due to capacity expansion, in-sourcing and more export orders
- UHD TV TCON takes the leading position in China market
  - ✓ In-house RGBW technology help customers to reduce panel cost while successfully maintaining the required display performance
- eDP TCON widely adopted by high resolution tablet, NB and automotive applications
  - ✓ Fully-covered eDP Technologies: 5.4G/lane, eDP1.4b and G-Sync for high resolution applications

Timing Controller Growth by Application



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# 2016 YTD

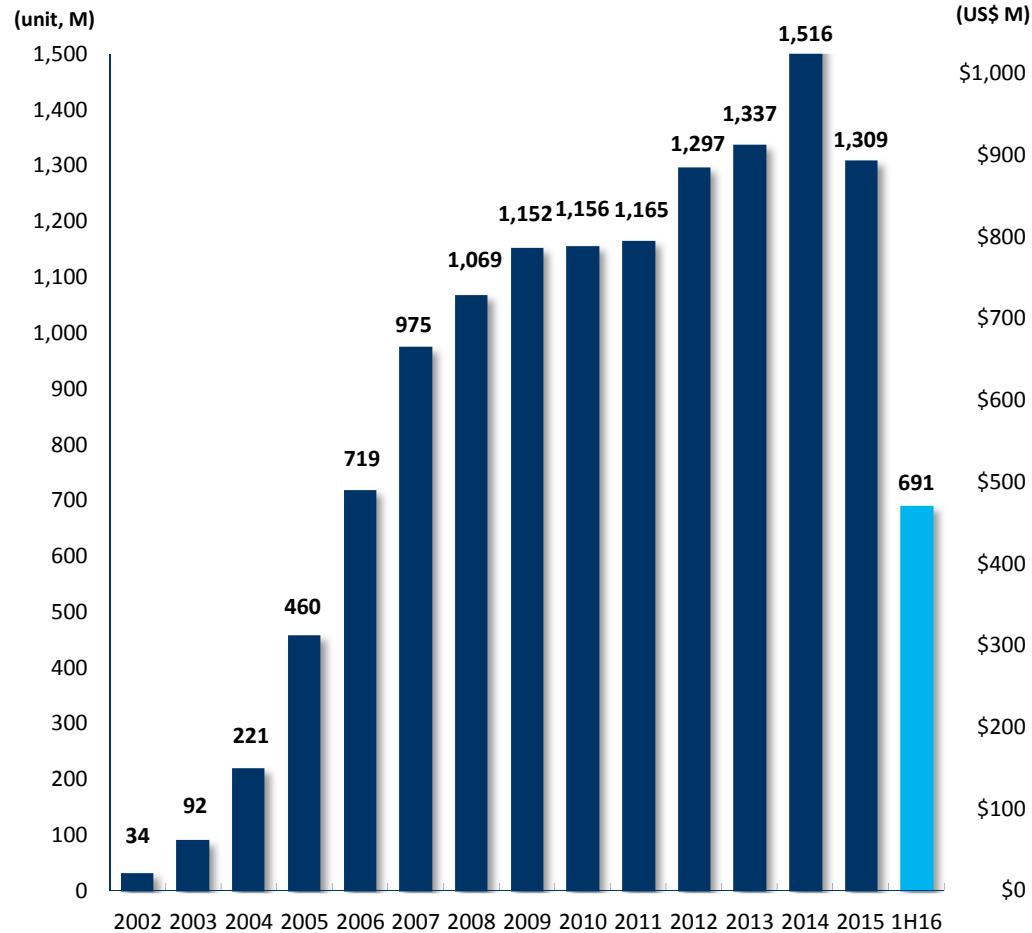
## Financial Review



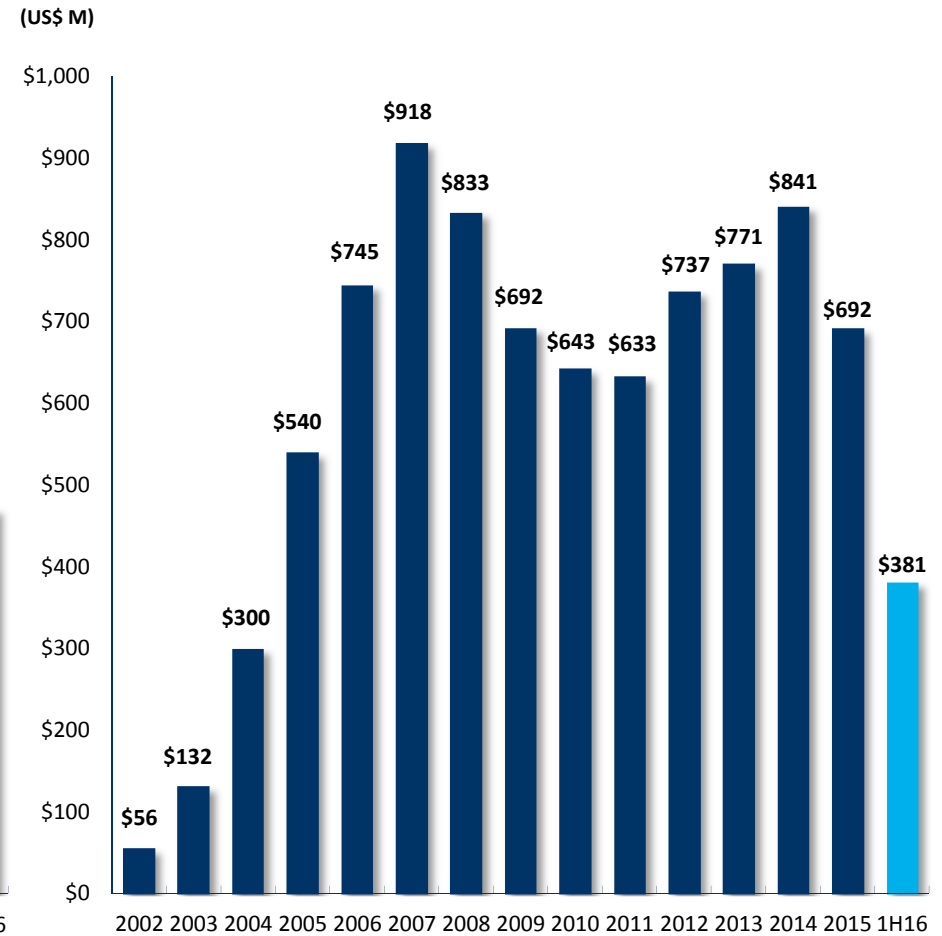
# Shipment and revenue history



## Unit Volume



## Revenues



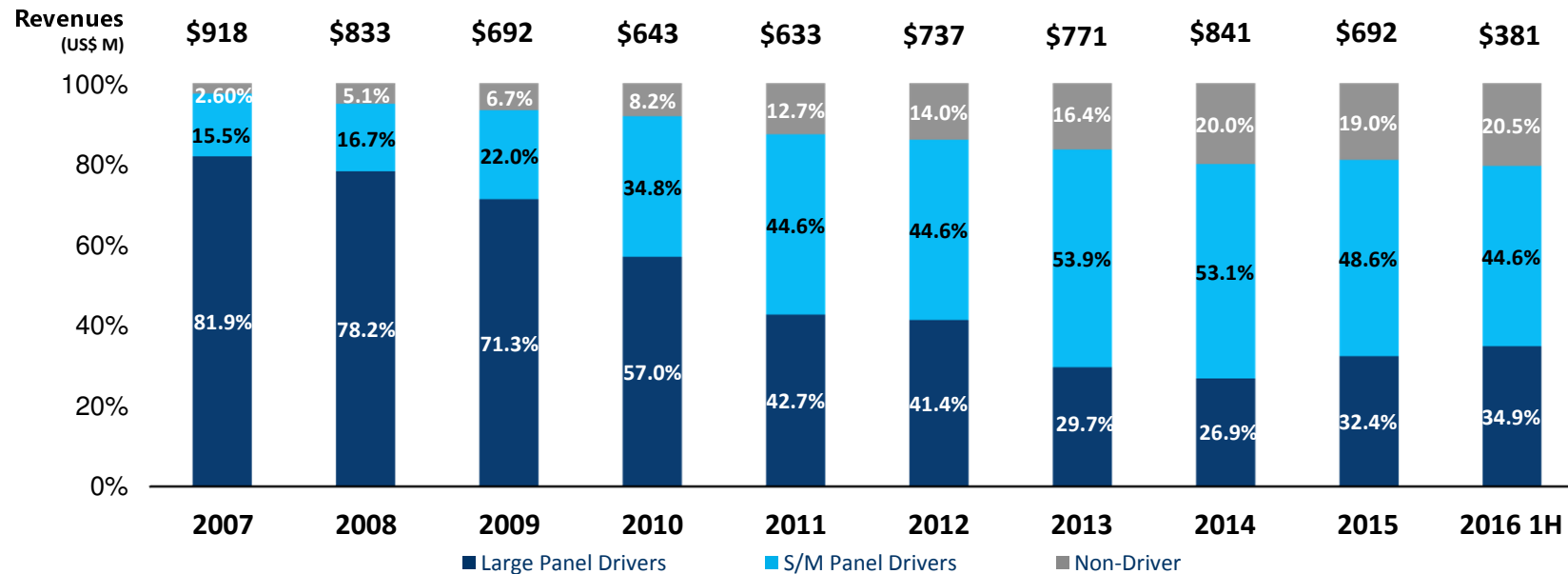
- Strong growth prospect across all major product lines in 2016

# A better balanced product mix....



- Growing large-sized panel drivers in 2015 and beyond
- Global market share leader in small and medium-sized panel driver ICs
- Increasing non-driver sales to diversify sales base and improve gross margin
- LCOS and WLO:
  - ✓ Phenomenal growth in 1H 2016 will continue to accelerate in 2016 and beyond
  - ✓ GM & OPM significantly higher than corporate average
  - ✓ Already seeing positive top and bottom line contribution in 2016
  - ✓ Phenomenal ROI
- Total solution component provider

### Category Product Mix

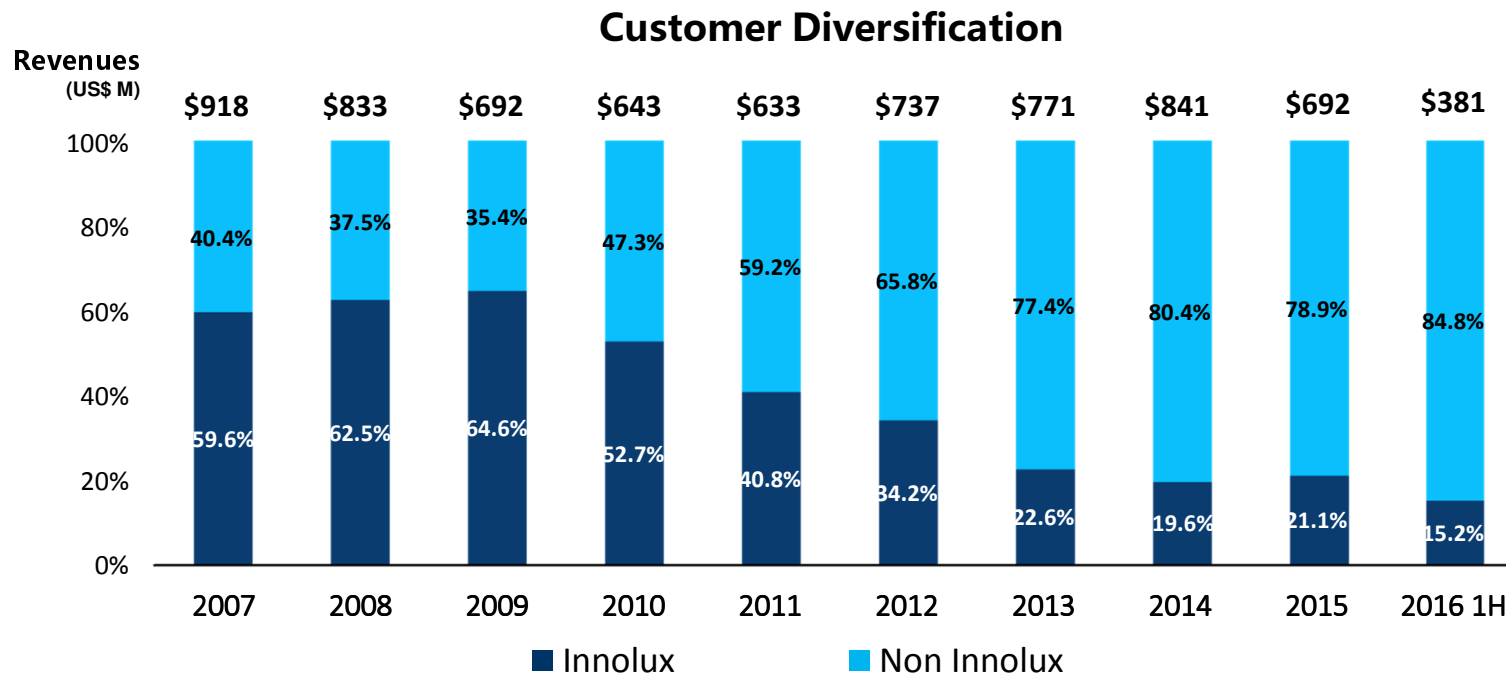


....and a diversified customer base



### Largely reduced dependence on one single customer, Innolux.

- Diversifying product revenues by non-driver product wins and leveraging existing customers
- Innolux disposed of its entire equity holding in Himax on June 19<sup>th</sup>, 2013, ending its status as Himax's related party
- Growing shipment to new panel manufacturer customers in China, Korea and Taiwan since 2013
- Market share gain in core driver IC business
- Benefiting from China localization, in-sourcing



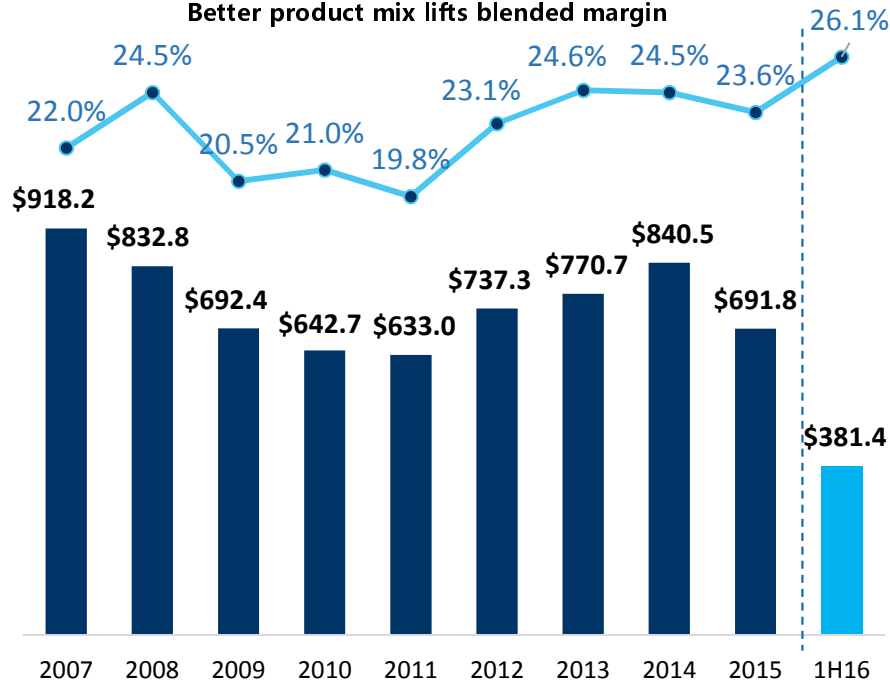
# Gross margin is a key business focus



## Revenues & Gross Margin %

(US\$M)

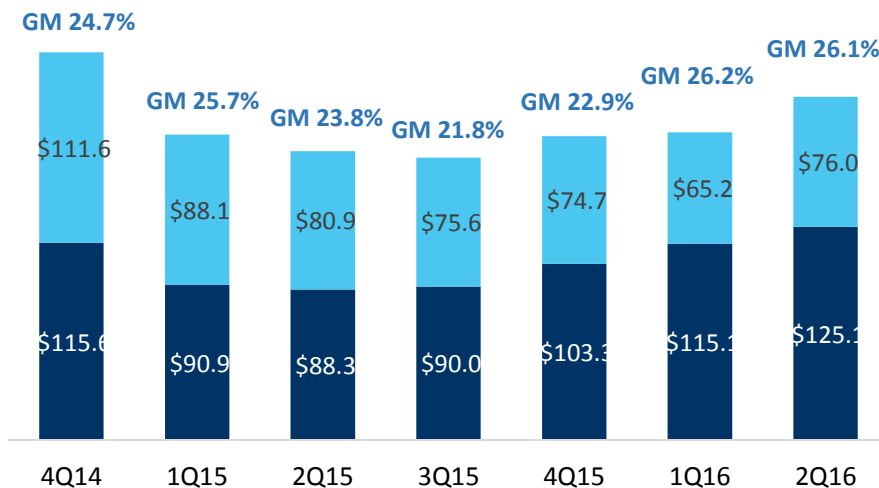
Better product mix lifts blended margin



## Geographical Revenue Mix & Quarterly GM

(US\$M)

■ China Sales ■ ROW Sales



- Successful transformation since 4Q11, sales increased by 16.5%
- 2014 4Q marks highest revenue since 4Q 2008
- Revenues growth and much improved gross margin in 2016 due to product mix
- Positive about long term growth

- GM retraction in 2015: higher mix of China sales and competitive pricing in the LDDIC market
- **GM improvement in 1H16**
  - ✓ Resolution migration will improve GM of SMDDIC
  - ✓ Favorable product mix with higher non-driver sales %
  - ✓ Strong NRE from AR/VR related business
  - ✓ Effective cost reduction measures

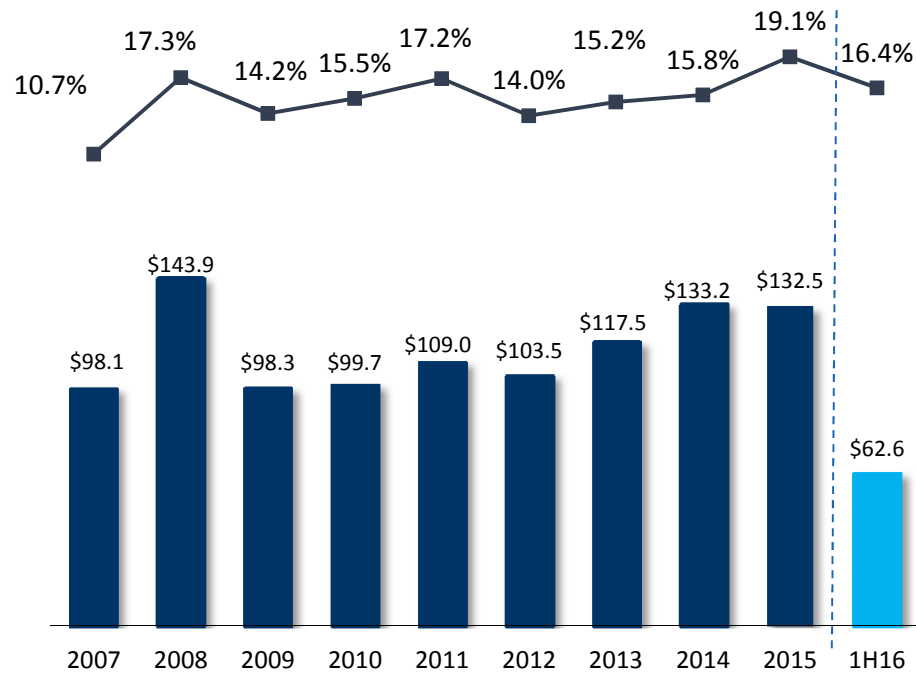


# The bottom line



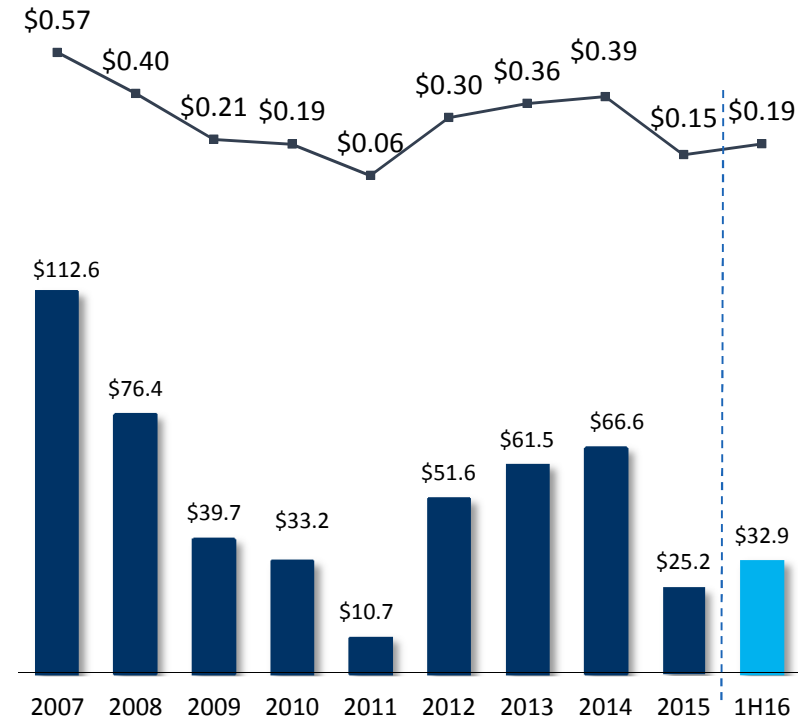
## OPEX and % of Total Sales

(US\$M / %)



## GAAP Net Income and EPS

(US\$M / US\$)

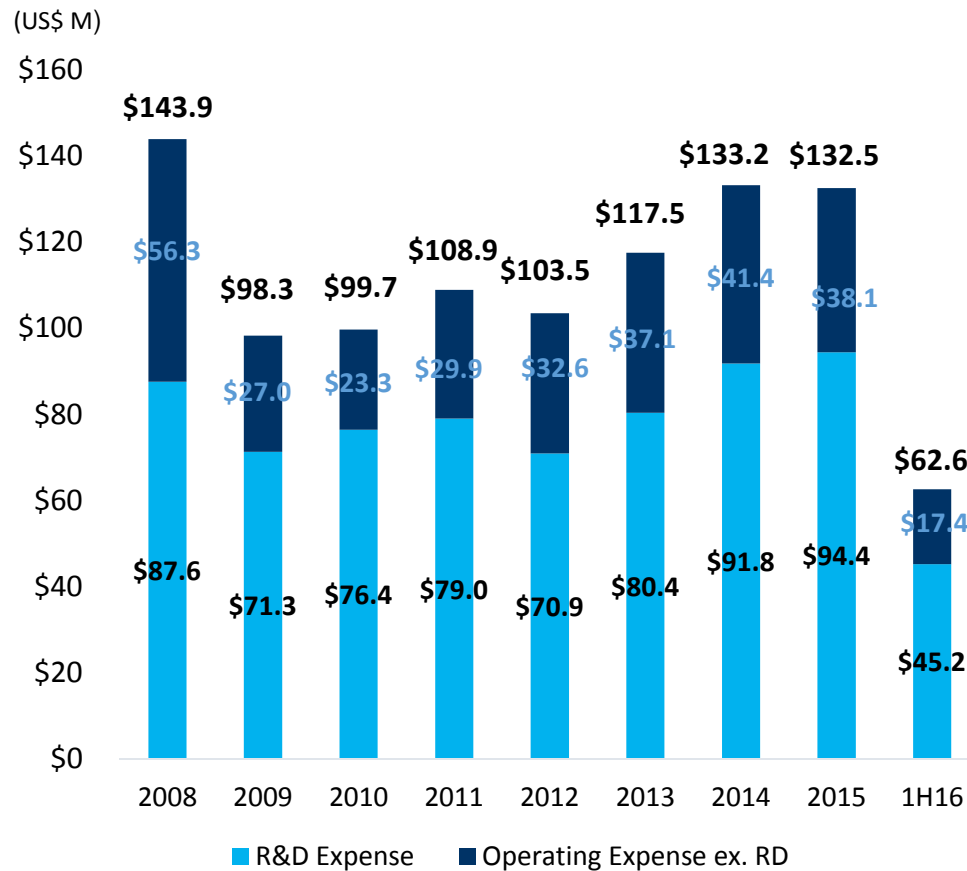


- Continue to streamline core business R&D efforts and execute expense control through product integration
- Despite ongoing expense control in response to macro uncertainties, still expanding in LCOS and WLO with exciting growth opportunities
- LCOS & WLO operations to be profitable in 2016
- Resume profitability growth in 2016: GAAP EPS for 1H16 already surpassed 15FY
- Debt free

# Performance history

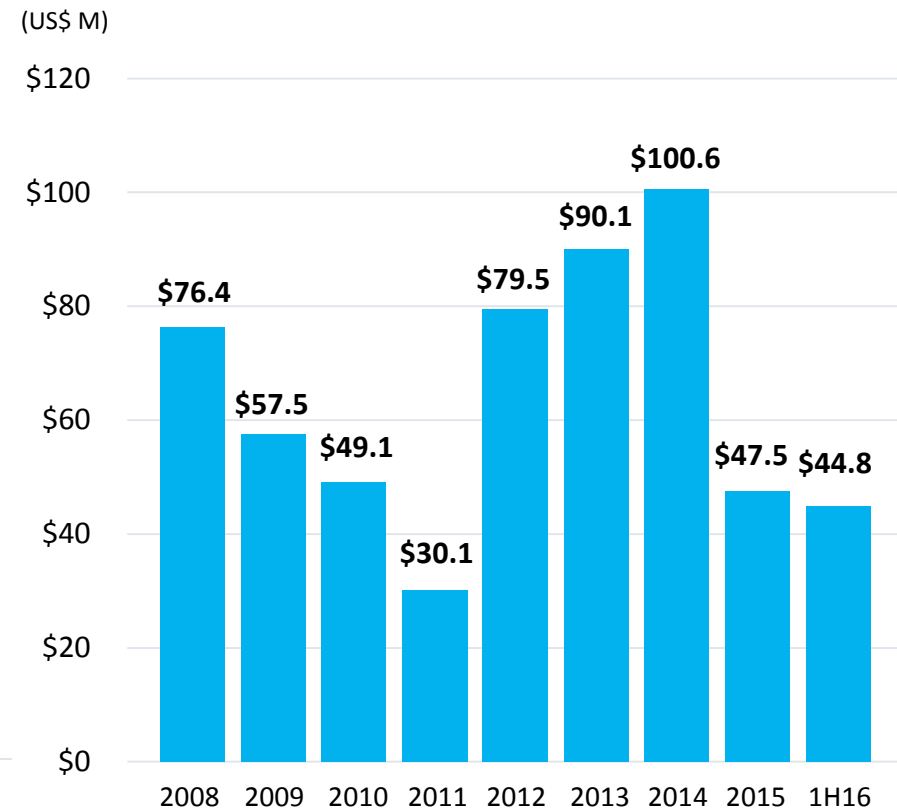


## Operating and R&D Expenses



- More controlled OPEX
- Continuous R&D commitment
- 2014 and 2015 OPEX include RSU \$9.3mn & \$4.5mn
- Non-GAAP OPEX up 3.3% in 2015 vs 2014; up 1.4% in 2016 vs 2015

## EBITDA



- Expect robust profit growth starting 2016 as a result of revenue growth and GM enhancement
- Positive long term profitability outlook

# Reported financials – Income Statement

June 30, 2016



US\$'000 For the Fiscal Period Ended	<u>2Q-2016</u> (Unaudited)	<u>2Q-2015</u> (Unaudited)	<u>1Q-2016</u> (Unaudited)	<u>Y2015</u> (Audited)	<u>Y2014</u> (Audited)
<b>Revenues</b>	\$201,074	\$169,185	\$180,319	\$691,789	\$840,542
<b>Cost of revenues</b>	148,596	128,885	133,144	528,651	634,660
<b>Gross profit</b>	52,478	40,300	47,175	163,138	205,882
<b>Gross margin</b>	26.1%	23.8%	26.2%	23.6%	24.5%
Operating expenses					
Research and development	21,803	22,640	23,402	94,422	91,839
General and administrative	4,814	4,275	4,581	18,470	20,192
Sales and marketing	3,962	4,511	4,013	19,574	21,126
<b>Total operating expenses</b>	30,579	31,426	31,996	132,466	133,157
<b>Operating income</b>	21,899	8,874	15,179	30,672	72,725
Non-operating income (loss)	775	1,321	(377)	2,195	12,769
<b>Income before income tax and noncontrolling interest</b>	22,674	10,195	14,802	32,867	85,494
Income tax expense	3,401	2,579	2,220	11,405	21,591
Net income	19,273	7,616	12,582	21,462	63,903
Add: Net loss attributable to the noncontrolling interest	514	1,216	506	3,733	2,695
<b>GAAP Net income attributable to Himax shareholders</b>	\$19,787	\$8,832	\$13,088	\$25,195	\$66,598
<b>Non-GAAP Net income attributable to Himax shareholders</b>	\$20,165	\$9,349	\$13,464	\$30,614	\$75,999
<b>GAAP Earnings per ADS attributable to Himax shareholders (in cents)</b>					
Basic	11.5	5.1	7.6	14.7	38.9
Diluted	11.5	5.1	7.6	14.6	38.7
<b>Non-GAAP Earnings per ADS attributable to Himax shareholders (in cents)</b>					
Basic	11.7	5.4	7.8	17.8	44.4
Diluted	11.7	5.4	7.8	17.8	44.2

# Reported financials – Balance Sheet

June 30, 2016



US\$'000	<u>June 30, 2016</u> (Unaudited)	<u>March 31, 2016</u> (Unaudited)	<u>June 30, 2015</u> (Unaudited)
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$164,423	\$150,521	\$161,256
Investments in marketable securities available-for-sale	14,917	17,441	3,262
Accounts receivable, net	187,925	173,025	182,304
Inventories	186,655	182,814	189,572
Restricted cash equivalents and marketable securities	138,000	180,451	130,000
Other current assets	23,717	22,715	23,837
<b><u>Total current assets</u></b>	<b><u>715,637</u></b>	<b><u>726,967</u></b>	<b><u>690,231</u></b>
Investment securities	10,780	11,211	11,211
Property and equipment, net	51,056	52,654	54,235
Goodwill	28,138	28,138	28,138
Other Assets	9,657	10,421	10,365
<b><u>Total Assets</u></b>	<b><u>\$815,268</u></b>	<b><u>\$829,391</u></b>	<b><u>\$794,180</u></b>
<b><u>Liabilities, redeemable noncontrolling interest and Stockholders'</u></b>			
<b>Current liabilities:</b>			
Short-term debt*	\$138,000	\$180,000	\$130,000
Accounts payable	151,842	138,662	125,771
Other current liabilities	66,564	47,855	93,091
<b><u>Total current liabilities</u></b>	<b><u>356,406</u></b>	<b><u>366,517</u></b>	<b><u>348,862</u></b>
Other liabilities	3,783	4,647	4,454
Redeemable noncontrolling interest	3,656	3,656	3,656
Himax shareholders' equity	449,739	452,380	443,715
Noncontrolling interest	1,684	2,191	(6,507)
<b><u>Total Liabilities, redeemable noncontrolling interest and Stockholders' Equity</u></b>	<b><u>\$815,268</u></b>	<b><u>\$829,391</u></b>	<b><u>\$794,180</u></b>

\* Short term debt is guaranteed by restricted cash

# Reported financials – Cash Flow Statement

June 30, 2016



	<u>2Q-2016</u> (Unaudited)	<u>1Q-2016</u> (Unaudited)	<u>2015FY</u> (Audited)	<u>2014FY</u> (Audited)
US\$'000				
<b>Net income</b>	<b>\$19,273</b>	<b>\$12,582</b>	<b>\$21,462</b>	<b>\$63,903</b>
Depreciation and amortization	3,465	3,450	14,164	14,592
Share-based compensation expenses	277	277	1,818	1,929
Gain on disposal of investment securities, net	0	0	(1,682)	(10,502)
Deferred income tax expense (benefit)	(86)	(179)	4,148	3,816
Inventories write downs	3,186	2,710	9,785	8,198
Decrease (increase) in accounts receivable	(14,975)	4,199	41,656	(19,211)
Decrease (increase) in inventories	(7,027)	(14,150)	(15,054)	3,096
Increase (decrease) in accounts payable	13,180	14,240	(54,905)	28,038
Increase (decrease) in income tax payable	(3,082)	2,651	(6,475)	2,357
Increase (decrease) in other accrued expenses and other current liabilities	(1,669)	(3,839)	5,987	(3,262)
Others	550	(436)	1,625	765
<b>Net cash provided by operating activities</b>	<b>\$13,092</b>	<b>\$21,505</b>	<b>\$22,529</b>	<b>\$93,719</b>
Purchases of property, plant and equipment	(1,680)	(2,202)	(9,982)	(10,931)
Purchase of available-for-sale marketable securities	(10,552)	(6,596)	(63,051)	(23,766)
Proceeds from disposal of available-for-sale marketable securities	12,831	7,968	46,720	22,021
Others	276	(6)	(2,029)	23,320
<b>Net cash provided by (used in) investing activities</b>	<b>\$875</b>	<b>(\$836)</b>	<b>(\$28,342)</b>	<b>\$10,644</b>
Release (pledge) of restricted cash, cash equivalents and marketable securities (for borrowing of short-term debt)	42,000	0	(50,000)	(24,500)
Proceeds from short-term debt	49,000	61,000	412,303	417,500
Repayments of short-term debt	(91,000)	(61,000)	(362,303)	(393,000)
Payments of cash dividends	0	0	(51,364)	(46,042)
Others	1	(1)	1,756	(162)
<b>Net cash provided by (used in) financing activities</b>	<b>\$1</b>	<b>(\$1)</b>	<b>(\$49,608)</b>	<b>(\$46,204)</b>
Effect of foreign currency exchange rate changes	(66)	24	(216)	(13)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$13,902</b>	<b>\$20,692</b>	<b>(\$55,637)</b>	<b>\$58,146</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>\$150,521</b>	<b>\$129,829</b>	<b>\$185,466</b>	<b>\$127,320</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$164,423</b>	<b>\$150,521</b>	<b>\$129,829</b>	<b>\$185,466</b>

# Founders and management team



**Dr. Biing-Seng Wu, Chairman of the Board** - Dr. Wu, the founder of Himax, previously served as President, CEO and a Director of Himax Taiwan. As a pioneer of TFT-LCD panel industry in Taiwan, Dr. Wu has been active in the TFT-LCD panel industry for over 20 years. With 61 patents related to Flat Panel Display granted worldwide, Dr. Wu has made significant contributions to Taiwan panel industry including the completion and operation of Taiwan's very first TFT-LCD plant, the winner of Outstanding Industry Contribution Award at the Gold Panel Awards 2009 from Ministry of Economic Affairs, etc. Dr. Wu holds a B.S. degree, an M.S. Degree and a Ph.D. Degree in Electrical Engineering from National Cheng Kung University. With well-recognized outstanding research and development capabilities, Dr. Wu received numerous awards including National Invention Award of Taiwan from Taiwan Executive Yuan in 1992, Research Achievement Awards from Industrial Technology Research Institute for consecutive 2 years in 1992 and 1993, ERSO Award from Pan Wen Yuan Foundation in 2008, etc.



**Jordan Wu, President, CEO and Director** - Mr. Wu, co-founder of Himax, previously served as the Chairman of the Board of Himax Taiwan since April 2003. Prior to joining Himax Taiwan, he served as CEO of TV Plus Technologies, Inc. and CFO and Executive Director of DVN Holdings Ltd. in Hong Kong. Mr. Wu holds a B.S. degree in Mechanical Engineering from National Taiwan University and an M.B.A. degree from the University of Rochester.



**Jackie Chang, Chief Financial Officer** - Before joining Himax, Ms. Chang was the CFO of Castlink Corporation and VP of Finance and Operations for PlayHut, Inc. Prior to that, Ms. Chang was General Manager -Treasury Control for Nissan North America. She held several positions in Nissan North America during 1994 -2006 including finance, treasury planning, operations and accounting. She holds a BBA in Accounting from the National Chung-Hsing University in Taiwan and an MBA in Finance from Memphis State University.



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SEC Legal Counsel

